



## KODIAK AREA NATIVE ASSOCIATION

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May 24, 2017

Chairman Ajit Pai  
Commissioner Mignon Clyburn  
Commissioner Michael O'Rielly  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

RE: Rural Health Care Support Mechanism, WC Docket No 02-60 Actions to Accelerate  
Broadband-Enabled Health Care Solutions, GN Docket No 16-46

Dear Chairman Pai and FCC Commissioners:

Thank you for your support of the Rural Health Care Program. As you recognized in a recent Senate Commerce Committee FCC Oversight hearing, broadband telemedicine is a critical component of addressing the health care needs of Alaskans. The Kodiak Area Native Association (KANA) provides health care services to the Kodiak Island Archipelago which includes the city of Kodiak and six rural villages. Telemedicine has dramatically improved access to care, accelerated diagnosis and treatment, avoided unnecessary medevacs, and expanded local treatment options. It has also helped reduce Medicaid costs through avoided patient travel.

In the Kodiak area, this service has enabled the delivery of business-class network connectivity and access to the Alaska Native Medical Center's centralized electronic health record platform in our remote village clinics. This has proven to be a critical upgrade over the previously available satellite-based connectivity which was too limited to allow for access to the centralized EHR. KANA was able to extend all network functionality to all of our clinics, which has enabled seamless service delivery. The increase in reliability and performance has enabled our providers to leverage technologies, such as video teleconference for medical and behavioral health consultations, the addition of a full complement of dental services that includes access to x-rays and electronic dental records, and online training and clinical support for local community health aides (CHAs). CHAs are a unique health care provider type to Alaska that provide services in small, rural villages and are essential in providing care in our vast, sparsely populated state.

However, the current \$400 million Rural Health Care Universal Service Support budget remains at the initial level set in 1997, despite inflation, advances in technology, and increased demand for services. The Universal Service Administrative Co. recently announced that it exceeded the funding cap for the current 2016 funding year ending June 30, 2017. Applicants that filed during the Sept. 1 – Nov. 30, 2016 filing window will receive a pro-rated percentage, 92.5 percent, of the qualifying funding requested. In our case, that means we will be responsible for paying an

additional \$349,138 which we did not budget or anticipate. This amount is a nearly ten-fold increase over the portion of the cost of services that we are already responsible for paying under the rules of the rural health care support mechanism.

This huge unanticipated cost associated with rural network connectivity delivery is unsustainable for KANA. If full, 100 percent funding, subsidy funding isn't provided, the only remaining option KANA would have is to revert to satellite connections. This would mean that we would not be able continue extending current technology-based services and related health care systems. Loss of these services will inevitably bring disruption and degradation to the quality of care we are able to provide and a loss of access to some services to the people of Kodiak Island.

We ask that you take steps to ensure the near and long-term viability of the Rural Health Care Program to be able to meet the increased demand for telemedicine services, both in Alaska and across the country. We believe the FCC should increase the budget for the rural health care support mechanisms to reflect inflation over the past two decades, as well as increased technology and telecommunications demands due to our Health Insurance Portability and Accountability Act legal obligations, advances in telemedicine capabilities, changes in patient expectations and standards of care, and new demands from the addition of skilled nursing facilities as entities eligible for the subsidy.

In addition, please consider implementing an inflation adjustment mechanism for the future, and short-term measures to restore qualifying funding requests filed Sept. 1 – Nov. 30, 2016 to 100 percent. Thank you for your support of this important program.

Respectfully,



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CC:

The Honorable Senator Murkowski  
The Honorable Senator Sullivan  
The Honorable Congressman Young